

## Message Text

CONFIDENTIAL

PAGE 01 TEHRAN 09376 290701Z  
ACTION NEA-11

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-10 NSAE-00  
PA-01 ICA-11 SP-02 PM-05 NSC-05 SS-15 DOE-15  
SOE-02 AID-05 EB-08 TRSE-00 STR-07 OMB-01 CEA-01  
/100 W

-----015565 300640Z /14

R 280340Z SEP 78  
FM AMEMBASSY TEHRAN  
TO SECSTATE WASHDC 616

C O N F I D E N T I A L TEHRAN 09376

E.O. 11652: GDS  
TAGS: EIND ECON IR  
SUBJ: OFFICIAL INVESTIGATION OF CORRUPTION OF NPC  
ANNOUNCED

REF: (A) TEHRAN 960 (B) CONFIDENTIAL MEMCON ENTITLED  
"DOING BUSINESS IN IRAN: CORRUPTION IN NPC" OF APRIL 6,  
1978 WITH COPY TO NEA/IRN

1. THE PRESS REPORTED TODAY THAT LEGAL ACTION HAS BEEN  
INSTITUTED TO EXAMINE ALLEGED IRREGULARITIES IN  
THE NATIONAL PETROCHEMICAL COMPANY (NPC) AND THAT THERE  
IS A PRIMA FACIE CASE OF MISUSE OF FUNDS AND GROSS  
MISMANAGEMENT RELATED TO NPC FACILITIES AT BANDAR  
SHAHPOUR.

2. AS THE DEPT IS AWARE (REFS) NPC HAS A WELL-DESERVED  
REPUTATION AS BEING ONE OF THE MORE CORRUPT, OF THE  
STATE ENTERPRISES, AND WE SUSPECT THAT THE GOI APPOINTED  
EXAMINING MAGISTRATE WILL NOT HAVE TOO MUCH DIFFICULTY  
IN OBTAINING EVIDENCE OF IMPROPRIETIES. THE  
INVESTIGATION AND THE DISMISSALS (OR WORSE)  
OF SENIOR OFFICIALS WHICH WILL PROBABLY  
FOLLOW COULD AND SHOULD HAVE A SALUTARY LONG-  
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TERM EFFECT ON NPC BUT IN THE SHORT-TERM IT MAY  
LEAD TO AN EXCESS OF CAUTION AND INDECISION.

3. WE WILL REPORT FURTHER DEVELOPMENTS AS  
APPROPRIATE.  
SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CORRUPTION, PETROLEUM INDUSTRY, PRESS COMMENTS, INVESTIGATIONS, ALLEGATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 sep 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978TEHRAN09376  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780399-0551  
**Format:** TEL  
**From:** TEHRAN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t1978099/aaaaahbl.tel  
**Line Count:** 61  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** 17adde55-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 TEHRAN 960  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 15 jun 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1507319  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OFFICIAL INVESTIGATION OF CORRUPTION OF NPC ANNOUNCED  
**TAGS:** EIND, ECON, IR, NATIONAL PETROCHEMICAL CO  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/17adde55-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014